

July 8, 2016

BY ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: *Connect America Fund et al.*, WC Docket Nos. 10-90, 05-337, 14-58,
07-135, WT Docket No. 10-208, and CC Docket No. 01-92

Dear Ms. Dortch:

Alaska Communications hereby responds to the July 6, 2016 *ex parte* letter submitted by General Communication, Inc. ("GCI") regarding plans by members of the Alaska Telephone Association ("ATA") to deploy new middle mile connectivity in connection with receiving roughly half a billion dollars in Connect America Fund ("CAF") support for rate-of-return local exchange carriers and nearly one billion dollars in Competitive Eligible Telecommunications Carrier ("CETC") support over the next ten years, under the GCI-ATA plan. In this letter, GCI states that ATA members may be expected to use some portion of their \$1.5 billion in support to improve middle mile connectivity to remote Alaska, based on:

- GCI's intention to connect ten villages to terrestrial microwave middle mile; and
- ASTAC's intention to move "areas with several thousand residents" to fiber middle mile (though it is not clear whether any new facilities would be constructed using the requested support).¹

GCI does not offer any more specifics than this, as to the precise locations where middle mile will be deployed, how much capacity will be available, or the amount to be invested in middle mile expansion. Moreover, ATA members have not yet indicated how the remaining villages (those not among those targeted by the deployment described in GCI's letter) would be able to receive effective access to broadband at 10 Mbps or better without adequate access to affordable

¹ Letter to Marlene Dortch, FCC Secretary, from John Nakahata, Counsel to GCI, in WC Docket No. 10-90, WT Docket No. 10-208 (filed July 6, 2016). GCI also states that two other ATA members, MTA and Copper Valley, would have greater "capacity to invest in middle mile," but provides no assurance that they would do so, nor any specifics as to where they might deploy or whether they might invest in fiber as opposed to microwave or another technology. *Id.*

middle mile connectivity. In short, for many communities, the likely outcome of the plan, as currently proposed, is substandard broadband or no effective broadband access at all.

The Commission should not accept on faith such explanations as to how the ATA members plan to use enhanced high-cost support, and in particular the proposed \$1 billion in CETC support, under the GCI-ATA plan. All other high-cost support recipients are required to make firm build-out requirements and regularly report on the amount and the location of their investments using high-cost support. No less should be required of the ATA's CETC members.

To date, none of the ATA members have pledged to invest *any* specific amount in new middle-mile infrastructure. Even assuming that GCI does expand its terrestrial middle-mile network to all of ten additional Bush villages over the next decade, this truly anemic return on the Commission's \$1 billion investment in CETC support would leave dozens of communities reliant on satellite service *even after all the money is spent*.² The public interest demands a better return on such an investment.

As Alaska Communications previously has recommended, the Commission should require, first, that all support recipients under the GCI-ATA plan deliver broadband coverage meeting the FCC's minimum broadband standards. If this requires investment in middle mile facilities, such investment should be part of that commitment.

Second, all support recipients under the GCI-ATA plan should be required to report by December 31, 2017 where they intend to deploy broadband middle-mile facilities, how much capacity they will deploy, and how much support they will devote to building such facilities. Such a requirement is essential to give the Commission the baseline information it will need to make a possible mid-course correction, if GCI and the other ATA members make an insufficient commitment to middle-mile deployment.

Third, the Commission should hold these carriers to those commitments. Based on the carriers' reports, the Commission should monitor broadband deployment in Alaska and be prepared to take action if at any time the recipients of support do not appear to be deploying adequate facilities to deliver broadband meeting the minimum performance levels expected by the Commission, or permitting competitive access to their facilities on reasonably non-discriminatory rates, terms and conditions, as all telecommunications carriers must do.

Requiring such reporting before and after the support is used, and monitoring build-out in real time, would significantly increase CETC accountability for the support requested under the GCI-ATA proposal. Moreover, adopting these very simple monitoring mechanisms would help

² In 2010, more than 150 rural and Bush communities in Alaska were dependent on satellite communications. See Heather E. Hudson, *Connecting Alaskans* (Univ. of Alaska Press 2015), at 240. GCI's TERRA-SW network, built with \$88 million in Broadband Initiatives Program ("BIP") funding, connected 65 of these communities, *id.* at 242. Even assuming some additional communities have been connected since that time, dozens continue to lack terrestrial middle mile connectivity altogether, and even those that are connected do not have adequate terrestrial middle mile capacity to meet their needs.

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ensure that middle mile investment is not duplicatively used on the same routes. Without dictating how recipients build out their networks, the Commission may and should ensure that support is used in adequate measure to expand middle-mile capacity as required for end-users to have effective access to broadband that is reasonably comparable to that available in urban areas.

Similarly, if the Commission finds that middle-mile capability deployed using federal high-cost support is not being made available to other carriers on reasonable and non-discriminatory terms, it should be prepared to take enforcement measures.

Tying the receipt of support to these basic accountability measures is necessary to ensure that the substantial amount of CETC support requested in the GCI-ATA plan will be used for the purpose for which it is intended, for the greatest benefit to the public, and to enable competing carriers to expand the availability of fiber-based broadband. If the FCC fails to include such requirements, carriers like GCI will continue to deploy substandard facilities to provide inadequate and over-priced service in remote parts of Alaska.

Please direct any questions regarding this matter to me.

Very truly yours,



Karen Brinkmann

Counsel to Alaska Communications

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